



U.S. Department of Justice

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Press Release

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Paul J. McNulty, United States Attorney for the Eastern District of Virginia, announced that Ajit S. Dutta, age 59, of Oakton, Virginia, pleaded guilty today before the Honorable Gerald Bruce Lee, United States District Judge, to one count of obstructing a federal audit in connection with the operation of his company, Datex, Inc., which provided administrative and logistical services for the United States Agency for International Development (USAID). Datex, which is headquartered in Falls Church, Virginia, fraudulently overcharged USAID \$867,000 over six years.

Dutta faces a maximum penalty of five years imprisonment and a \$250,000 fine when sentenced on March 26, 2004.

Over the past ten years Datex has had approximately 41 separate contracts or grants with USAID with a total value of approximately \$71 million. Dutta created artificial and non-existent costs for Datex and then, in annual reports to USAID, certified that these costs were entitled to reimbursement. In particular, Dutta paid his wife a salary and listed her as a full-time Datex employee when she was actually employed full-time elsewhere. He also had Datex pay his own consulting company, Dannix, for non-existent work. In addition, Dutta paid rent to his wife, ostensibly for the use of a second Datex office. The "office" was, in fact, a condominium that Dutta and his wife owned in New Jersey and used as a second residence.

In June 2001, unaware that Dutta owned Dannix, federal auditors raised questions about a Datex "consulting" payment to Dannix. Asked to substantiate the work performed by Dannix, Dutta furnished the auditors with a phony letter purporting to detail the work carried out by Dannix. The letter listed the number of hours spent on projects, foreign trips, and conferences by Dannix employees who were listed by name. A number of the meetings described in the letter included meetings with Dutta in such places as Singapore and India. Included with the Dannix description of work performed was a one page summary of approximately \$35,000 in travel expenses associated with Dannix's work. Dutta knew that the information supplied in the letter was false. Nowhere in the letter, nor in any documentation furnished to the auditors, was it revealed that Dutta owned Dannix and that Dannix operated out of his Fairfax County residence. Unaware that the representations were false, federal auditors eventually approved the Dannix payments as reimbursable costs under federal regulations.

The investigation was conducted by special agents of the Office of the Inspector General

of USAID with the assistance of the Defense Contract Audit Agency. Prosecution of the case is being handled by Assistant United States Attorney Stephen Learned

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